
HOUSE BILL No. 1278

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1-2.5-9.

Synopsis: Net metering. Requires the utility regulatory commission (IURC) to adopt emergency rules amending the IURC's net metering and interconnection rules for electric utilities to: (1) make net metering available to all customer classes; (2) allow a net metering customer to interconnect to an electric utility's distribution facility a generating system that is sized to meet all or part of the customer's electric load; (3) allow a net metering customer to interconnect a generating facility that makes use of specified technologies; and (4) allow for customer meter aggregation. Provides that a rule adopted by the IURC to amend the IURC's net metering and interconnection rules may not make the net metering and interconnection rules apply to a rural electric membership corporation or a municipally owned utility. Provides that the existing rules are void to the extent they do not comply with the requirements for the amended rules. Requires the IURC to report to the regulatory flexibility committee on the IURC's progress in adopting the amended rules. Requires the IURC to include in its annual report to the regulatory flexibility committee the following information concerning net metering: (1) For each electric utility, the number of net metering customers and the nameplate capacity of the net metering facilities used. (2) A description of any safety related incidents. (3) A description of any grid reliability incidents. (4) For each electric utility, an estimate of any subsidization of the utility's net metering program provided by nonparticipating customers. Amends the statute concerning the reports prepared for and by the regulatory flexibility committee to reflect the time frame of the general assembly's interim study committee schedule.

Effective: Upon passage.

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January 11, 2012, read first time and referred to Committee on Utilities and Energy.



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PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2011 Regular Session of the General Assembly.

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HOUSE BILL No. 1278



A BILL FOR AN ACT to amend the Indiana Code concerning utilities.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 8-1-2.5-9 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) A regulatory
3 flexibility committee established under IC 8-1-2.6-4 to monitor
4 changes in the telephone industry shall also serve to monitor changes
5 and competition in the energy utility industry.

6 (b) The commission shall ~~before August 15 of each year~~ prepare for
7 presentation to the regulatory flexibility committee **before November**
8 **1 of each year a report that includes** an analysis of the effects of
9 competition or changes in the energy utility industry on service and on
10 the pricing of all energy utility services under the jurisdiction of the
11 commission. **Beginning with the report prepared for presentation**
12 **to the regulatory flexibility committee in 2012, the annual report**
13 **required by this section must include the following information**
14 **concerning net metering with respect to the calendar year**
15 **immediately preceding the year in which the report is presented to**
16 **the regulatory flexibility committee:**

17 (1) For each electric utility required to offer, or otherwise



1 offering, net metering to one (1) or more of the electric
 2 utility's customer classes, the number of net metering
 3 customers identified by customer class and nameplate
 4 capacity.

5 (2) A description of each safety related incident that occurred
 6 in connection with any electric utility's net metering program
 7 during the year covered by the report, including the outcome
 8 of the incident and any remedial measures taken in response
 9 to the incident.

10 (3) A description of each grid reliability incident that
 11 occurred in connection with any electric utility's net metering
 12 program during the year covered by the report, including the
 13 outcome of the incident and any remedial measures taken in
 14 response to the incident.

15 (4) An estimate of the impact of net metering on the rates
 16 charged or service provided to nonparticipating ratepayers of
 17 each electric utility identified under subdivision (1), including
 18 an estimate of any subsidization of the electric utility's net
 19 metering program provided by nonparticipating customers.

20 (c) In addition to reviewing the commission report prepared under
 21 subsection (b), the regulatory flexibility committee shall also issue a
 22 report, **and which may include any recommendations that the**
 23 **regulatory flexibility committee considers appropriate**, to the
 24 legislative council before November 1 of each year. ~~that are~~ **The**
 25 **report must be** based on a review of the following issues:

26 (1) The effects of competition or changes in the energy utility
 27 industry and the impact of the competition or changes on ~~the~~
 28 residential rates.

29 (2) The status of modernization of the energy utility facilities in
 30 Indiana and the incentives required to further enhance this
 31 infrastructure.

32 (3) The effects on economic development of this modernization.

33 (4) The traditional method of regulating energy utilities and the
 34 method's effectiveness.

35 (5) The economic and social effectiveness of traditional energy
 36 utility service pricing.

37 (6) The effects of legislation enacted by the United States
 38 Congress.

39 (7) All other energy utility issues the committee considers
 40 appropriate. However, it is not the intent of this section to provide
 41 for the review of the statutes cited in section 11 of this chapter.

42 The report and **any** recommendations issued under this subsection to

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1 the legislative council must be in an electronic format under IC 5-14-6.

2 (d) This section:

3 (1) does not give a party to a collective bargaining agreement any
4 greater rights under the agreement than the party had before
5 January 1, 1995;

6 (2) does not give the committee the authority to order a party to
7 a collective bargaining agreement to cancel, terminate, amend or
8 otherwise modify the collective bargaining agreement; and

9 (3) may not be implemented by the committee in a way that would
10 give a party to a collective bargaining agreement any greater
11 rights under the agreement than the party had before January 1,
12 1995.

13 (e) The regulatory flexibility committee shall meet on the call of the
14 co-chairs to study energy utility issues described in subsection (c). The
15 committee shall, with the approval of the commission, retain
16 independent consultants the committee considers appropriate to assist
17 the committee in the review and study. The expenses for the
18 consultants shall be paid with funds from the public utility fees
19 assessed under IC 8-1-6.

20 (f) The legislative services agency shall provide staff support to the
21 committee.

22 (g) Each member of the committee is entitled to receive the same
23 per diem, mileage, and travel allowances paid to individuals who serve
24 as legislative members of interim study committees established by the
25 legislative council.

26 SECTION 2. [EFFECTIVE UPON PASSAGE] (a) **As used in this**
27 **SECTION, "commission" refers to the Indiana utility regulatory**
28 **commission created by IC 8-1-1-2.**

29 (b) **Subject to subsection (c) and not later than August 1, 2012,**
30 **the commission shall adopt rules to amend the net metering and**
31 **interconnection rules adopted by the commission and codified at**
32 **170 IAC 4-4.2 and 170 IAC 4-4.3. The commission shall adopt the**
33 **rules required by this subsection in the same manner as emergency**
34 **rules are adopted under IC 4-22-2-37.1. The rules adopted by the**
35 **commission under this subsection must do the following:**

36 (1) **Require an electric utility to offer net metering to all**
37 **customer classes.**

38 (2) **Allow a net metering customer to interconnect to an**
39 **electric utility's distribution facility a generating system that**
40 **is sized to meet all or part of a customer's electric load.**

41 (3) **Allow a net metering customer to interconnect a facility**
42 **that generates electricity through any of the following**

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1 technologies:

2 (A) Solar.

3 (B) Wind.

4 (C) Microhydroelectric facilities.

5 (D) Hydroelectric facilities at dams existing before
6 January 1, 2011.

7 (E) Combustion technology using renewable fuels or
8 natural gas.

9 (F) Fuel cells using renewable fuels.

10 (G) Biogas, including anaerobic digestion and algae
11 production systems.

12 (H) Methane from landfills or other waste products.

13 (I) Combined heat and power systems that achieve at least
14 seventy percent (70%) overall efficiency.

15 (4) Allow for customer meter aggregation.

16 (c) A rule adopted by the commission under subsection (b) may
17 not make the net metering and interconnection rules adopted by
18 the commission and codified at 170 IAC 4-4.2 and 170 IAC 4-4.3
19 apply to any of the following:

20 (1) A corporation organized under IC 8-1-13.

21 (2) A corporation organized under IC 23-17 that is an electric
22 cooperative and that has at least one (1) member that is a
23 corporation organized under IC 8-1-13.

24 (3) A municipally owned utility (as defined in IC 8-1-2-1(h)).

25 (d) Rules adopted under subsection (b) expire on the date the
26 rules are adopted by the commission under IC 4-22-2-24 through
27 IC 4-22-2-36.

28 (e) Not later than July 1, 2012, the commission shall evaluate the
29 net metering and interconnection rules adopted by the commission
30 and codified at 170 IAC 4-4.2 and 170 IAC 4-4.3 for compliance
31 with the requirements set forth in subsection (b). To the extent that
32 any rules codified at 170 IAC 4-4.2 and 170 IAC 4-4.3 do not meet
33 the requirements set forth in subsection (b), the rules are void. Not
34 later than July 15, 2011, the commission shall notify the publisher
35 of the Indiana Administrative Code and Indiana Register of any
36 rules codified at 170 IAC 4-4.2 and 170 IAC 4-4.3 that are void
37 under this subsection. The publisher shall remove the rules that are
38 void under this subsection from the Indiana Administrative Code.

39 (f) Not later than November 1, 2012, the commission shall report
40 to the regulatory flexibility committee established by IC 8-1-2.6-4
41 on the commission's progress under subsection (d) in finally
42 adopting, under IC 4-22-2-24 through IC 4-22-2-36, the emergency

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1 **rules initially adopted by the commission under subsection (b).**
2 **(g) This SECTION expires January 1, 2014.**
3 **SECTION 3. An emergency is declared for this act.**

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